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REPORT NO. 54
To the 43rd Legislative Assembly

MONTANA LEGISLATIVE COUNCIL
State Capitol
Helena, Montana

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WELFARE

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RECOMMENDATIONS

The Montana Legislative Council recommends:

1. *That the United States Department of Agriculture treat Montana's present winter allowance as an "income disregard" rather than as an addition to income.*

2. *That the Department of Social and Rehabilitation Services take the necessary steps to improve food stamp distribution through local post offices.*

3. *That the federal government reimburse all states for old-age assistance, aid to dependent children and aid to needy blind for all Indians residing on reservations or on allotted or trust lands. In addition, the federal government should reimburse the states for the amount of state aid to the permanently and totally disabled Indians and for medical assistance payments for Indians who reside on reservations or on allotted or trust lands, as referred to in S2265, presently before Congress.*

4. *That the statutes be amended to clearly define the responsibility of payment between state and county or counties to welfare recipients.*

5. *That legislation be drafted which would give the Department of Social and Rehabilitation Services authority to make initial payments to eligible persons at the county level.*

6. *That the state's responsibility for dependent and neglected children be extended to the age of majority.*

7. *That a Youth Services Coordinating Council, composed of the directors of the Department of Social and Rehabilitation Services, Department of Institutions, Department of Public Instruction, Department of Health and others concerned with youth, be required by law to meet regularly to discuss problems and take coordinated action.*

8. *That a personnel and salary classification system be implemented within the Department of Social and Rehabilitation Services.*

9. *That the two functions of eligibility determination and social services be performed by different individuals wherever possible.*

10. *That the lien laws for the welfare system be retained.*

11. *That the Department of Social and Rehabilitation Services periodically review the process for appeal and fair hearings.*

12. *That the degree of county control of the welfare system remain at its present level.*

13. *That Section 71-501 be amended so that aid to dependent children (ADC) may be paid to a child up to the age of twenty-two (22), providing he is attending school; not to conflict with the federal regulation 233.10.*

14. *That medicaid benefits be offered on a sliding income scale.*

15. *That the income tables pertaining to the family responsibility laws be updated on the basis of inflation between 1953 and 1972.*

16. *That the statutes governing eligibility for welfare assistance be amended to include children of unemployed fathers by making unemployment a condition for eligibility.*

    That said fathers are registered with the Employment Security Commission and will accept employment offered therefrom.

17. *That each county welfare department may employ an attorney as a deputy county attorney on a part-time basis to pursue support payments which are due welfare recipients.*

18. *That the 43rd Legislative Assembly review nursing home costs and appropriate sufficient funds to adequately finance the full amount of these costs for welfare recipients.*

HOUSE JOINT RESOLUTION NO. 1

A JOINT RESOLUTION OF THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THAT THE LEGISLATIVE COUNCIL CONDUCT A STUDY OF PUBLIC WELFARE PROGRAMS ADMINISTERED BY THE DEPARTMENT OF PUBLIC WELFARE AND REPORT ITS FINDINGS, TOGETHER WITH RECOMMENDATIONS AND ANY NECESSARY IMPLEMENTING LEGISLATION TO THE FORTY-THIRD LEGISLATIVE ASSEMBLY.

WHEREAS, expenditures for programs administered by the department of public welfare represent a substantial amount of money, and

WHEREAS, in addition to its obligation to administer these programs, the state of Montana has an obligation to insure that the programs are accomplishing their stated goals and are offering maximum benefits to the welfare recipients within the amounts of money expended, and

WHEREAS, a careful study of the programs might lead to improvements that would not only improve the return to the state for the moneys expended, but also provide better services to the persons served by these programs, and

WHEREAS, there should be a careful examination of the salaries paid to employees of the department of public welfare to determine whether these persons are compensated at a fair and equitable rate compared with other state employees.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the legislative council is requested to conduct a study of the programs administered by the department of public welfare to determine if improvements could be made not only to increase the return to the state for moneys expended, but also provide better services to the persons served by these programs.

BE IT FURTHER RESOLVED, that the legislative council is requested to include in its investigation statements and opinions from persons served by welfare programs and from organizations representing such persons.

BE IT FURTHER RESOLVED, that the legislative council is requested to include in its study, an examination of the salaries paid to employees of the department of public welfare to determine whether these persons are compensated at a fair and equitable rate compared with other state employees.

BE IT FURTHER RESOLVED, that the legislative council report its findings in writing, together with recommendations and any implementing legislation necessary, to the forty-third legislative assembly.

BE IT FURTHER RESOLVED, that the secretary of state is instructed to send copies of this resolution to the state administrator of public welfare and the executive director of the legislative council.

INTRODUCTION

The Legislative Council's Subcommittee on Public Welfare was established pursuant to House Joint Resolution No. 1. This resolution charged the Council with the responsibility of conducting a study of the programs offered by the Department of Public Welfare to determine if these programs are being judiciously administered and are at the same time offering maximum benefits to welfare recipients within the limits of the funds available. In addition, the Legislative Council was directed to examine the salaries paid to employees of the Department of Public Welfare to ensure that these persons are being compensated at a fair and reasonable rate compared with other state employees.

Specifically, House Joint Resolution No. 1 stated,

> WHEREAS, expenditures for programs administered by the department of public welfare represent a substantial amount of money, and
>
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BE IT FURTHER RESOLVED, that the secretary of state is instructed to send copies of this resolution to the state administrator of public welfare and the executive director of the legislative council.

In order to fulfill the directives of HJR No. 1, the public welfare subcommittee conducted an extensive examination of the programs offered by the reorganized Montana Department of Public Welfare, now called the Department of Social and Rehabilitation Services; the most recent welfare reforms of other states; the views of welfare recipients as presented in a series of statewide hearings held in November, 1971; and the salaries of employees within SRS in comparison to similar positions in other state agencies.

THE MONTANA WELFARE SYSTEM

In Montana, as in all other states, the welfare system is generally based on a broad series of regulations promulgated by the federal government which are administered by state and local governments. On a broad scope the states must, therefore, take their direction from the federal government. The states have little direct control over the regulations which have been instituted by the federal government. However, there are many specific areas in which state action can implement reforms of a positive nature.

Funding of the welfare system follows a division of responsibility between federal, state and local governments similar to that encountered in the administration of the system. Each level of government has some control over the funding devoted to the welfare system; as a consequence, reform at the state level is limited to funds originating at the state and local level. Recently, the court rulings declaring residency requirements for welfare recipients unconstitutional have increased the burden on state and local welfare funds. In order to describe Montana's welfare system a summary of the programs offered by SRS and of the funds devoted to this system is presented in the following paragraphs.[2]

Total program costs for Central Services, Special Services, Visual Services and Medical Assistance within the Department of

---

[1]"House Joint Resolution No. 1," Laws and Resolutions of the State of Montana, Forty-Second Session, 1971, Volume II, pp. 1695-1696.

[2]Budget information was furnished by the Bureau of the Budget; program information by Social and Rehabilitation Services.

Social and Rehabilitation Services for Fiscal Year 1972 were $40,016,008. Funding for these programs was obtained from the following sources:

General Fund:	$ 8,432,373
County Reimbursements	595,460
Refunds and Balances Forward	289,188
Federal and Private Revenue Fund:	
Public Welfare Account	4,355,471
Federal and Private Grant Clearance Fund:	
Public Welfare Account	21,262,900
County Funds	5,080,616
TOTAL	$ 40,016,008

MAJOR PROGRAMS

CENTRALIZED SERVICES

The Centralized Services program performs those functions required to support the other programs of the Department. The activities of the program include accounting, payroll, auditing, purchasing, information and education, data processing, statistics and research, legal services, budget and management services, and personnel services. The Centralized Services Division is responsible for this program.

SPECIAL SERVICES

The Special Services program performs two functions within the Department. One of the functions is staff development and training. The second function--special services development--includes the following activities: program evaluation and planning, client (recipient) training and employment, volunteer service development, and civil rights compliance. The Special Services Division is responsible for these programs.

SOCIAL SERVICES

The functions of this program are providing, either directly or through purchase, public social services to help families and individuals in one or more areas of functioning; protective services for children and adults who are neglected, abused or exploited; and community planning in cooperation with other community agencies, organizations, and interested citizens in the development and/or extension of the broad range of resources and facilities to meet the social and economic needs of the state

and individual communities. In pursuit of these broad goals, the Department seeks through individual, group and supportive services and community organization activities, to improve the condition of individuals and families in the following areas: economic independence; education; family stability and personal adjustment; housing and money management; health, personal independence and self-care; child and youth development; child care and protection; and protection of adults. The Social Services Division is responsible for these programs.

ECONOMIC ASSISTANCE

Administration of direct payments to persons who are found eligible for Old Age Assistance, Aid to Dependent Children, Aid to the Needy Blind, Aid to the Permanently and Totally Disabled, Medical Assistance, Food Stamps, and Commodity Distribution is accomplished through the Economic Assistance Program. The Economic Assistance Division is responsible for this program.

ELIGIBILITY DETERMINATION

Determination for eligibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, Aid to Dependent Children, Aid to the Needy Blind, Medical Assistance, and General Assistance is accomplished through the Eligibility Determination program. The Economic Assistance Division is responsible for this program.

VISUAL SERVICES

Providing rehabilitation services (physical restoration, transportation, occupational and business licenses, tools and equipment, training materials, training, maintenance, testing, guidance and counseling, and placement and follow-up) to the state's visually handicapped is accomplished through the Visual Services program. The Visual Services Division is responsible for this program.

REHABILITATION SERVICES

Rehabilitation services (physical restoration, transportation, occupational and business licenses, tools and equipment, training materials, training, maintenance, testing, guidance and counseling, and placement and follow-up) for handicapped Montanans, except for the visually handicapped, is accomplished through this program. The Rehabilitation Services Division is responsible for this program.

YOUTH DEVELOPMENT

Planning projects and programs to prevent juvenile delinquency is accomplished through the Youth Development program. The Rehabilitation Services Division is responsible for this program.

SPECIAL PROJECTS

The planning, organizing, and directing of the development of sheltered workshops, rehabilitation centers, work-study programs, institutional programs, and other special disability projects is accomplished through the Special Projects program. The Rehabilitation Services Division is responsible for this program.

DISABILITY DETERMINATION

Determinations of medical-legal disability for applicants for social security disability benefits, who satisfy federal coverage requirements and who reside within Montana jurisdictions, is accomplished under the Disability Determination program. The Rehabilitation Services Division is responsible for this program.

SERVICES TO THE AGED

The administration of federal grants (made under Title III of the Older Americans Act of 1965) for social, employment, and recreational projects for Montana's senior citizens is accomplished under the Services to the Aged program. To date, the major portion of these federal grants has gone into the establishment of senior citizen centers in various cities throughout the state. The Aging Services Division is responsible for this program.

VETERANS' AFFAIRS

A number of services to veterans is provided under the Veterans' Affairs program. These services include:

1. Aiding veterans to receive benefits from the federal Veterans' Administration;

2. Giving assistance to morticians for veterans' families in obtaining burial benefits, flag, and headstones or markers at the time of the veteran's death and burial;

3. Aiding veterans in obtaining reviews of discharges, and replacement of lost or destroyed discharge certificates;

4. Providing counseling services to veterans and their dependents;

5. Assisting in transferring veterans from the State Hospital in Warm Springs to the Veterans' Administration Hospital at Sheridan, Wyoming; and

6. Providing meal tickets, lodging, and transportation to needy veterans in times of emergency or extreme need.

The Veterans' Affairs Division is responsible for these programs.

RESIDENCY REQUIREMENTS FOR WELFARE RECIPIENTS

During November, 1971, the U. S. Supreme Court ruled that Montana's one-year residency requirement was unconstitutional. The federal Supreme Court held that this residency requirement violated the equal protection clause of the Fourteenth Amendment to the U. S. Constitution. The Montana Supreme Court earlier held that the residency requirement was valid because funds involved were of strictly county origin.

The Montana Supreme Court in a March decision requested by the Department of Social and Rehabilitation Services held that the funding responsibility for benefits to transient welfare recipients rested at the state rather than county level. Previously, general assistance payments were made from funds collected at the county level. However, the court held that since residency requirements were no longer valid, state funds should be the source of benefits to transient recipients. The Director of the Department of Social and Rehabilitation Services has estimated that this ruling will mean an additional outlay of between $200,000 and $250,000 annually from state welfare funds.

WELFARE REFORM AT THE FEDERAL LEVEL

For more than a year H.R. 1, the federal welfare reform bill, has languished in the Senate Finance Committee. There are several versions of the bill which are being supported by various Senators and the Nixon Administration. All versions attempt to bring fiscal relief to the states and to increase the participation of welfare recipients in the labor force. However, the amount of fiscal relief and the type of incentives used to promote labor force participation vary depending upon the version of H.R. 1 that is examined.

At the present time, the composition of H.R. 1 when it is finally

CHART 1

ORGANIZATIONAL CHART
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
November, 1971

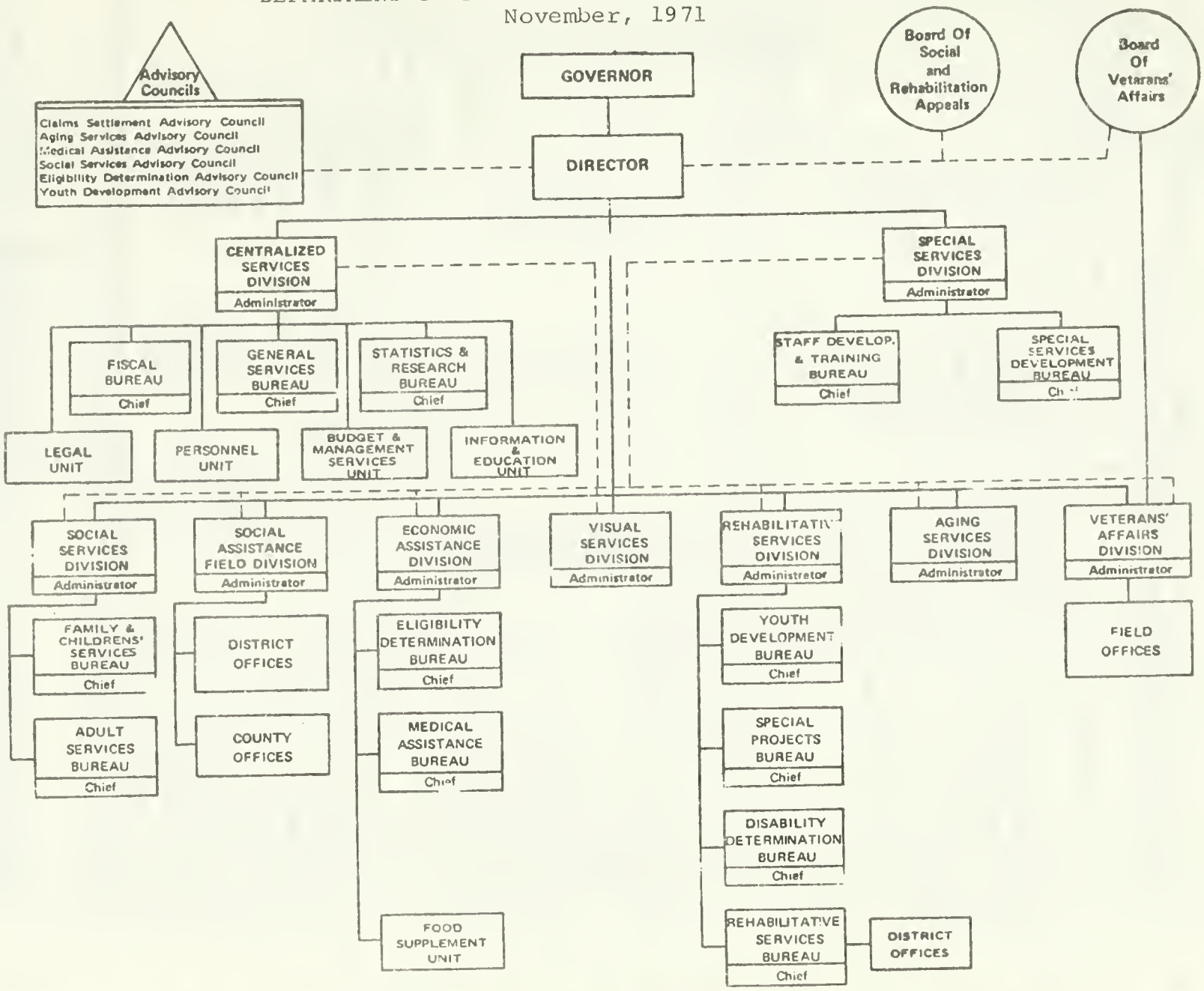

TABLE 1

SUMMARY OF PUBLIC ASSISTANCE AND MEDICAL CARE STATISTICS
April 1972[3]

OBLIGATIONS INCURRED FOR PUBLIC ASSISTANCE AND MEDICAL CARE

Type of assistance	April 1972	March 1972	April 1971	% Increase or decrease from: Mar.1972	April 1971
All Public Assistance....	$2,853,887.02	$3,196,739.06	$2,655,382.98	- 10.7	+ 7.5
Old Age Assistance.....	174,875.00	206,400.00	201,878.00	- 15.3	- 13.4
Aid to Dependent Children..	859,179.00	971,012.00	761,689.00	- 11.5	+ 12.8
Aid to Needy Blind.....	13,588.00	15,981.00	15,065.00	- 15.0	- 9.8
Aid to Disabled.....	238,091.00	262,869.00	209,055.00	- 9.4	+ 13.9
Medical Care:					
Medical Assistance.....	964,870.06	1,091,528.82	923,229.32	- 11.6	+ 4.5
Intermediate Care.....	149,870.18	157,700.17	129,408.49	- 5.0	+ 15.8
County Medical Programs*...	381,023.00	402,934.14	344,072.25	- 5.4	+ 10.7
General Assistance.....	60,809.67	81,859.93	60,881.67	- 25.7	- 0.1
Burials.....	11,581.11	6,454.00	10,104.25	+ 79.4	+ 14.6

Type of assistance	April 1972	March 1972	April 1971	% Increase or decrease from: Mar. 1972	April 1971
Old Age Assistance.....	3,108	3,223	3,476	- 3.6	- 10.6
Aid to Dependent Children					
Families.....	6,335	6,268	5,587	+ 1.1	+ 13.4
Children.....	15,183	15,164	14,127	+ 0.1	+ 7.5
Eligible Adults.....	5,445	5,355	5,004	+ 1.7	+ 8.8
Aid to Needy Blind.....	174	187	181	- 7.0	- 3.9
Aid to Disabled.....	2,870	2,883	2,592	- 0.5	+ 10.7
Medical Assistance.....	12,107	13,267	11,440	- 8.7	+ 5.8
Intermediate Care.....	566	576	524	- 1.7	+ 8.0
General Assistance.....	1,062	1,295	978	- 18.0	+ 8.6

AVERAGE PAYMENTS TO RECIPIENTS

Type of assistance	April 1972	March 1972	April 1971	% Increase or decrease from: Mar. 1972	April 1971
Old Age Assistance.....	$ 56.27	$ 64.04	$ 58.08	- 12.1	- 3.1
Aid to Dependent Children					
Per Family.....	135.62	154.92	136.33	- 12.5	- 0.5
Per Person.....	41.65	47.32	39.81	- 12.0	+ 4.6
Aid to Needy Blind.....	78.09	85.46	83.23	- 8.6	- 6.2
Aid to Disabled.....	82.96	91.18	80.65	- 9.0	+ 2.9
Medical Assistance.....	79.70	82.27	80.70	- 3.1	- 1.2
Intermediate Care.....	264.79	273.79	246.96	- 3.3	+ 7.2
General Assistance.....	57.26	63.21	62.25	- 9.4	- 8.0

* Includes physicians services, hospitalization, nursing home care, drugs and medical supplies, and other medical care.

[3]Statistical Report, State of Montana Department of Social and Rehabilitation Services, (Volume XXXIV, March 1972), p. 3.

TABLE 2

TOTAL EXPENDITURES FOR PUBLIC ASSISTANCE AND MEDICAL CARE, APRIL, 1972

	April 1972			April 1971		April 1967	
	No. of Cases	Amount	Average Per Case	No. of Cases	Average Per Case	No. of Cases	Average Per Case
Old Age Assistance[4]	3,108	$ 174,875	$ 56.27	3,476	$ 58.08	3,966	$ 63.34
Aid to Dependent Children[5]	6,335	$ 859,179	$ 135.62	5,587	$ 136.33	2,362	$ 144.18
Aid to Needy Blind[6]	174	$ 13,588	$ 78.09	181	$ 83.23	184	$ 77.01
Aid to Disabled[7]	2,870	$ 238,091	$ 82.96	2,592	$ 80.65	1,359	$ 76.52
Medical Assistance[8]	12,107	$ 964,870.06		11,440	(Total Amount) $ 923,229.32	3,618	(Total Amount) $ 233,670.55
General Assistance[9]	1,062	$ 60,809.67	$ 57.26	978	$ 62.25	1,293	$ 57.10

FOOD STAMP PROGRAM, APRIL, 1972[10]

Total Value of Food Stamps Issued	Average Per Household	Average Per Person	Value of Bonus Food Stamps Issued	Average of Bonus Issued Per Household	Average of Bonus Issued Per Person
$ 705,807.00	$ 76.48	$ 25.39	$ 426,772.54	$ 46.24	$ 15.35

4 Ibid., p. 7.
5 Ibid., p. 8.
6 Ibid., p. 9.
7 Ibid., p. 10.
8 Ibid., p. 11.
9 Ibid., p. 15.
10 Ibid., p. 23.

enacted by Congress is still uncertain. However, it is highly probable that the reform bill will at least maintain present welfare benefit levels and will increase federal funding participation. A "hold harmless" clause will protect state and county funds from any drain caused by expanding welfare rolls or increased benefit levels. There is also a possibility that increased federal funding may be retroactive to state welfare costs for fiscal year 1972.

One version of H.R. 1 will be reported out of the Senate Finance Committee when Congress reconvenes after July 17, 1972. Ultimate passage will be delayed at least until the fall of 1972. At this time, it is impossible to say whether or not a federal welfare reform bill will have become law by the time the 43rd Legislature convenes in January, 1973.

MONTANA WELFARE RECIPIENTS

In order to determine the opinions of Montana welfare recipients concerning the welfare system, the Public Welfare Subcommittee held public regional meetings in Butte, Missoula, Billings, Wolf Point, and Great Falls on November 9, 1971. Several legislators and a representative of the Department of Welfare were present to hear testimony and answer the questions of welfare recipients and interested members of the public.

The following is a summary of the opinions expressed at the November welfare hearings.

BENEFIT REDUCTION

One feature of the welfare system universally identifed as inequitable is the effect of the winter allowance on food stamp benefits. Although the winter allowance varies according to family size, the range is from ten to twenty-five dollars a month, the intent is to provide funds necessary to meet the increased utility and clothing costs incurred because of Montana's severe winter weather. However, this allowance is not specifically earmarked for these costs at the present time. Instead, it is counted as an increase in income to the welfare recipient because of federal regulations. This results in an increased cost for food stamps, thereby reducing part of the benefit of the winter allowance.

In some cases Medicaid benefits have been lost, either because of the winter allowance or because of social security benefit increases. Since the rise in social security benefits was predicated on cost of living increases, the removal of Medicaid benefits or the reduction of food stamp benefits due to social security increases results in an inequitable situation.

Welfare benefits to Indians are reduced by grant payments of federal money to the Indians. In some cases these grants may amount to several thousand dollars. A member of the State Welfare Department acknowledged the incentive to expend the grant money in a short period of time on frivolous expenditures in order to requalify for welfare benefits. Although budget counseling was advised at one meeting, a rejection of the "white man's values" was stressed at another.

LIEN LAWS

The present structure of Montana's lien laws was roundly condemned at the welfare hearings. Since they apply only to two categories of public assistance, aid to the disabled and old age assistance, some viewed the laws as discriminatory. The general sentiment seemed to call for a complete repeal of the lien laws.

FAMILY RESPONSIBILITY LAWS

The family responsibility laws which call for assistance from children to parents who receive benefits from the welfare system were not a popular item at the hearings. The concensus of opinion was that these laws too often force the sons and daughters of recipients to live on a welfare level of income as well as the recipients. Although many called for complete repeal of this law, one person suggested that a minimum income level of seven thousand dollars be present before the family responsibility laws are invoked.

EMERGENCY ASSISTANCE

The present regulations limiting emergency assistance to catastrophic situations were regarded as excessively restrictive. A suggestion was made to change Montana's definition of emergencies which qualify for assistance to include natural disasters, civil disorders, strikes, illness, accident or death, eviction, migrant families in necessitous circumstances and other crises determined by the county welfare department, and not limit this definition to catastrophes.

FAIR HEARING BOARD

At several of the hearings the present structure of fair hearing boards was criticized. Many people requested that low income people and minority groups be represented on the fair hearing boards.

OTHER TOPICS

Rent - Many landlords require a deposit and a month's rent in

advance. Since the welfare department will not pay these charges, recipients experience difficulty in obtaining housing.

It was stated that in some areas the welfare department is subsidizing substandard housing because rent allowances are too low to pay for adequate housing. The suggestion was made to conduct a rent survey in each county to determine what allowances should be given to provide adequate housing for families of various sizes.

Some federal housing projects require that inhabitants limit rent payments to twenty-five percent of their income. In many cases the rent subsidy is not high enough to reduce the payment by a low income person to this level. Therefore, welfare recipients and other persons with low incomes cannot qualify for this housing.

Food Stamps - Many older persons who are eligible for food stamp benefits refuse to apply because they must contact the county welfare system. If the food stamp program was administered by an agency other than the welfare department, these people would be more willing to participate in the program.

Food stamps should be available during the evenings and on Saturdays.

Utilities - A deposit is required in most cases before utilities will be provided. Funds should be made available for the welfare department to pay these deposits or the utility company should be induced to drop the requirement of a deposit for welfare recipients.

Medical Aid to the Indigent - A program of medical assistance for low income people who do not qualify for Medicaid or welfare assistance was suggested. There should be special emphasis on emergency situations that require hospitalization.

Child Support Payments - Child support payments at present are automatically deducted from welfare benefits. If a father fails to make a support payment, the family must do without this income for that month. The suggestion was that the support payment be collectable by the welfare department. In the event of non-payment, the family would still receive full welfare benefits.

Information and Education - The welfare department should engage in a more extensive program of outreach work and education in order to inform recipients of their rights and the benefits to which they are entitled. This would serve to allay the fear and distrust directed toward the welfare department by welfare recipients.

Along the same line there were complaints that caseworkers were ignorant of welfare laws and should attempt to be better informed on this topic.

ADMINISTRATION OF MONTANA PUBLIC WELFARE PROGRAMS

An intensive analysis of the Department of Social and Rehabilitation Services' public welfare programs was performed by the Montana Legislative Auditor for fiscal year 1970.[11] The report, which was released in May, 1972, provided a broad range of recommendations concerning the administration of these public welfare programs. There were two areas in which the recommendations made by the Legislative Auditor coincided with topics studied by the Legislative Council. These recommendations pertained to family responsibility laws and lien laws.

In regard to family responsibility laws the Legislative Auditor made the following recommendations:

> We recommend that the department:
>
> 1. Establish a trained staff organization to specialize in the follow-up and resolution of those relative responsibility and AFDC cases where relative and parental financial support is absent.
>
> 2. Utilize the income information from the Department of Revenue, as provided by law, to determine ability of responsible relatives to provide support of the applicant for assistance.
>
> 3. Make additional investigations as necessary to determine the liability of those responsible under the law.
>
> 4. Inform all concerned of the rights and obligations of the department, recipients, responsible relatives, and parents under the law.
>
> 5. Levy financial assessments based on the relative contribution scale as provided in the law and establish the liability of such responsible relatives.
>
> 6. Initiate legal action, when necessary, as provided by law, to enforce the relative responsibility and non-support provisions.
>
> 7. Develop an information system to document the efforts of the department to obtain

---

[11] State of Montana Department of Social and Rehabilitation Services, Report on Audit, Fiscal Year Ended June 30, 1970, Office of the Legislative Auditor, State Capitol, Helena, Montana.

recovery from relatives and other responsible individuals, and the disposition of each such effort.

8. Review the present statutory relative contribution scale, determine the need for updating the contribution scale, and if it is needed, request the legislature to enact the needed changes.[12]

The Legislative Auditor made the following recommendation concerning lien laws exercised by the Department of Social and Rehabilitation Services. "We recommend that the Department establish an organizational unit composed of a full-time staff to specialize in overseeing and managing the activities of the department and counties with respect to public assistance liens."[13]

The other recommendations made by the Legislative Auditor were concerned with areas into which the Council did not venture. The Council believes that readers concerned with the effectiveness of the administration of welfare programs of Montana should therefore refer directly to the Legislative Auditor's report.

RECOMMENDATIONS

Because the present welfare system is based on the state and county administration of federally promulgated regulations, the subcommittee's recommendations are divided into two areas. The first requires reform at the federal level; the second contains those reforms which may be instituted by action at the state level.

FEDERAL ACTION REQUIRED

If the United States Department of Agriculture would treat Montana's winter allowance as a disregard rather than an addition to income, welfare recipients would not lose part of their food stamp bonus during the winter months as is presently the case. Although the Department of Social and Rehabilitation Services has on numerous occasions entreated the United States Department of Agriculture in regard to this matter, to date the response has been negative. A Joint Resolution by the Montana Legislature addressed to both the Department of Agriculture and the Montana Congressional Delegation may be more persuasive.

The Council recommends that the United States

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[12] Ibid., pp. 162-3.
[13] Ibid., p. 170.

Department of Agriculture treat Montana's present winter allowance as an "income disregard" rather than as an addition to income. (Appendix A)

Welfare recipients in some Montana communities experience difficulty when attempting to obtain food stamps after regular business hours.

The Council recommends that the Department of Social and Rehabilitation Services take the necessary steps to improve food stamp distribution through local post offices.

Since 1950, the federal government has reimbursed certain states for expenditures for Old Age Assistance, Aid to Dependent Children and Aid to the Needy Blind for Navajo and Hopi Indians residing on reservation or on allotted or trust lands. The Council feels that this reimbursement is discriminatory since it does not apply to tribes or Indian nations other than the Navajo or Hopi Indians.

The Council recommends that the federal government reimburse all states for old-age assistance, aid to dependent children and aid to needy blind for all Indians residing on reservations or on allotted or trust lands. In addition, the federal government should reimburse the states for the amount of state aid to the permanently and totally disabled Indians and for medical assistance payments for Indians who reside on reservations or on allotted or trust lands, as referred to in S2265, presently before Congress. (Appendix B)

STATE ACTION REQUIRED

The Department of Social and Rehabilitation Services estimates that ten percent of its administrative time is spent determining the county of residency for general assistance and medical payments.

The Council recommends that the statutes be amended to clearly define the responsibility of payment between state and county or counties to welfare recipients. (Appendix C)

At the present time there is an approximate three-week delay between the time a person applies for welfare assistance and the time he receives his first check. If the Department of Social and Rehabilitation Services had the authority to make payments to eligible persons at the county level, this delay could be avoided. This would benefit the county as well as the recipient because counties are now forced to make general assistance payments between the time the recipient applies for welfare and the time he receives his first check. These general assistance

payments are funded totally by county funds.

The Council recommends that legislation be drafted which would give the Department of Social and Rehabilitation Services authority to make initial payments to eligible persons at the county level.

The Council feels that state responsibility for dependent and neglected children should include all children under the age of majority. The statutes should be amended to extend state responsibility to all children under the age of eighteen.

The Council recommends that the state's responsibility for dependent and neglected children be extended to the age of majority. (Appendix D)

At the present time directors of state departments involved in children's programs (directors of Department of Social and Rehabilitation Services, Department of Institutions, Department of Public Instruction and Department of Health) meet voluntarily to coordinate certain programs which involve youth services. However, a youth coordinating council would be more effective if it were defined by law.

The Council recommends that a Youth Services Coordinating Council, composed of the directors of the Department of Social and Rehabilitation Services, Department of Institutions, Department of Public Instruction, Department of Health and others concerned with youth, be required by law to meet regularly to discuss problems and take coordinated action. (Appendix E)

Because of the variance in salary scales among state merit system agencies the Council believes that the Department of Social and Rehabilitation Services is at a disadvantage.

The Council recommends that a personnel and salary classification system be implemented within the Department of Social and Rehabilitation Services.

A common complaint concerning the Department of Social and Rehabilitation Services is that the functions of eligibility determination and social service are performed by the same person. This becomes disruptive of the relationship between recipient and worker.

The Council recommends that the two functions of eligibility determination and social services be performed by different individuals wherever possible.

Although lien laws are not popular with welfare recipients throughout the state, the Council feels that they discourage abuse of the welfare system.

The Council recommends that the lien laws for the welfare system be retained.

Welfare recipients at the November, 1971 hearing voiced dissatisfaction with the Department's appeal and fair hearing procedure. In light of these complaints, the Council feels that the procedures for these appeals should be reviewed periodically and the opinions of welfare recipients should be considered when the procedures are reviewed.

The Council recommends that the Department of Social and Rehabilitation Services periodically review the process for appeal and fair hearings.

Although many welfare recipients believed that county commissioners should be removed from the administration of welfare programs at the local level, a majority of the Council did not agree. Instead, the majority felt that county commissioners, given their familiarity with situations at the local level, are in a position to exercise judicious control over these programs.

The Council recommends that the degree of county control of the welfare system remain at its present level.

Federal regulations presently restrict aid to dependent children to those who are under the age of twenty-one years. Since many students do not finish school until their twenty-first year, the Council feels that ADC should continue through the twenty-first year if the recipient is enrolled in school. However, this change should not take place until federal matching funds are available for aid to these recipients.

The Council recommends that Section 71-501 be amended so that aid to dependent children (ADC) may be paid to a child up to the age of twenty-two (22), providing he is attending school; not to conflict with the federal regulation 233.10. (Appendix F)

Many low income people cannot receive medical assistance because their incomes are slightly greater than the maximum allowed for federally assisted welfare programs. If Montana had a medically needy assistance program, in which the maximum income for other federally assisted programs would be raised by one-third, these people would not be reduced to a welfare income by medical expenses.

The Council recommends that medicaid benefits be offered on a sliding income scale. (Appendix G)

Montana's family responsibility laws are not being uniformly enforced. Both the Council and the Legislative Auditor determined, independently, that the income tables which are used to calculate the amount relatives should contribute to the support of those receiving welfare benefits have become outmoded since they were

formulated in 1953.

> *The Council recommends that the income tables pertaining to the family responsibility laws be updated on the basis of inflation between 1953 and 1972.* (Appendix H)

The Council feels that children of unemployed fathers should be eligible for welfare assistance. By making unemployment a condition of eligibility for the fathers of these children, assistance benefits can be extended to them.

> *The Council recommends that the statutes governing eligibility for welfare assistance be amended to include children of unemployed fathers by making unemployment a condition for eligibility.* (Appendix F)
>
> *It further recommends that said fathers are registered with the Employment Security Commission and will accept employment offered therefrom.* (Appendix F)

Unpaid child support payments to welfare recipients presently constitute a hardship for recipients. In too many counties cooperation between the welfare department and the county attorney's office has not been sufficient to ensure that those who refuse to make support payments are faced with legal action.

> *The Council recommends that each county welfare department may employ an attorney as a deputy county attorney on a part-time basis to pursue support payments which are due welfare recipients.*

During the 1973 biennium, private nursing homes have experienced financial difficulty. Part of this problem is the result of inadequate funding for the payment of nursing home care for welfare recipients. The Council believes that funding should be made available in an amount sufficient to cover the full cost to the nursing homes of caring for these patients.

> *The Council recommends that the 43rd Legislative Assembly review nursing home costs and appropriate sufficient funds to adequately finance the full amount of these costs for welfare recipients.*

APPENDIX A

_____ JOINT RESOLUTION NO. ___

INTRODUCED BY _____

A JOINT RESOLUTION OF THE SENATE AND HOUSE OF REPRESENTATIVES REQUESTING THE UNITED STATES DEPARTMENT OF AGRICULTURE TO TREAT MONTANA'S WINTER ALLOWANCE AS AN INCOME DISREGARD RATHER THAN AN ADDITION TO INCOME.

WHEREAS, a subcommittee of the legislative council studied programs of the department of public welfare to determine if improvements could be made to provide better services to the persons served by these programs, and

WHEREAS, the subcommittee determined that welfare recipients lose part of their food stamp bonus during the winter months as a result of the department of agriculture's treatment of Montana's winter allowance as an income disregard rather than as an addition to income, and

WHEREAS, the state department of social and rehabilitation services has on numerous occasions requested the department of agriculture to correct the situation.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the United States department of agriculture treat Montana's present winter allowance as an income disregard rather than as an addition to income for the purpose of allowing Montana welfare recipients to receive food stamp bonuses during the winter months.

APPENDIX B

_____ JOINT RESOLUTION NO. ___

INTRODUCED BY _____

A JOINT RESOLUTION OF THE SENATE AND HOUSE OF REPRESENTATIVES REQUESTING THE FEDERAL GOVERNMENT TO REINBURSE ALL STATES FOR OLD-AGE ASSISTANCE, AID TO DEPENDENT CHILDREN AND NEEDY BLIND, AID TO THE PERMANENTLY DISABLED AND MEDICAL ASSISTANCE PAYMENTS FOR INDIANS WHO RESIDE ON RESERVATIONS OR ON ALLOTTED OR TRUST LANDS.

WHEREAS, a subcommittee of the legislative council studied programs of the department of public welfare to determine if improvements could be made to provide better services to the persons served by these programs, and

WHEREAS, the federal government has reimbursed certain states for expenditures for old-age assistance, aid to dependent children and aid to the needy blind for Navajo and Hopi Indians residing on reservations, and

WHEREAS, the federal government does not reimburse payments made by the states for welfare benefits to Indians, other than Hopi and Navajo, residing on reservations within those states, and

WHEREAS, if reimbursements were made to the state of Montana for benefits paid to Indians living on reservations, that money could be used to increase the funding available through the Montana welfare program, and

WHEREAS, Senate Bill No. 2265, presently before Congress would provide for such reimbursement, and

WHEREAS, the legislative council recommends that Senate Bill No. 2265 be passed to end the discrimination that allows reimbursements for Indians in certain states and not in others.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Congress of the United States be requested to enact Senate Bill No. 2265 to permit reimbursement to states for payments made for old-age assistance, aid to dependent children, aid to needy blind, aid to permanently and totally disabled Indians and medical assistance for Indians who reside on reservations or on allotted or trust lands.

APPENDIX C

_____ BILL NO. _____

INTRODUCED BY _____

71-302

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A DEFINITION OF RESIDENCY TO DETERMINE COUNTY OR STATE RESPONSIBILITY FOR FINANCIAL SUPPORT OF GENERAL RELIEF RECIPIENTS; AND TO REPEAL SECTION 71-302, R.C.M. 1947."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. Eligibility requirements for general relief. (1) There are no residency requirements for an applicant to be eligible for general relief in Montana.

(2) Any person otherwise qualified who has no legal county residence shall file his application in the county in which he is residing, and his assistance shall be paid entirely from state funds until he has resided for one (1) year in said county. If a recipient moves from one county to another county, he shall retain residence in the original county until he has resided in the second county for a period of one (1) year at which time he will gain residence in the second county.

(3) If a person is absent from the state voluntarily, he shall thereby be ineligible for general relief in the state of Montana.

(4) Time spent as a patient in a licensed nursing home or hospital, or a private charitable institution, shall not in any case be counted in determining the matter of county residence.

Section 2. Section 71-302, R.C.M. 1947, is hereby repealed.

APPENDIX D

_____ BILL NO. _____

INTRODUCED BY _____

10-501

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 10-501, R.C.M. 1947, TO CHANGE THE DEFINITION OF A DEPENDENT OR NEGLECTED CHILD TO INCLUDE CHILDREN UP TO AND INCLUDING THE AGE OF EIGHTEEN (18) YEARS."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. Section 10-501, R.C.M. 1947, is amended to read as follows:

"10-501. Dependent and neglected children--definition. For the purpose of this act, the words "dependent child" or "neglected child" shall mean any child of the age of ~~sixteen~~ eighteen (18) years, or under that age, who is dependent upon the public for support, and who is destitute, homeless, or dependent, or who has no proper parental care or guardianship, or who habitually begs or receives alms, or who is found living in any house of ill-fame, or in any house of prostitution, or whose home, by reason of neglect, cruelty, or depravity on the part of its parents, guardian, or other person in whose care it may be, is an unfit place for such child, or whose environment is such as to warrant the state, in the interest of the child, to assume its guardianship or support."

APPENDIX E

_____ BILL NO. _____

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT FOR A NEW CHAPTER IN TITLE 10 TO ESTABLISH A YOUTH SERVICES COORDINATING COUNCIL AND TO PROVIDE FOR ITS FUNCTIONS AND DUTIES."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. (1) There is hereby created a state youth coordinating council, consisting of:

(a) The executive officer of the department of health and environmental sciences.

(b) The superintendent of public instruction.

(c) The director of the department of institutions.

(d) The director of the department of social and rehabilitation services.

(e) Directors of other state agencies designated by the governor.

(2) The council shall select a chairman from among its members and that person shall serve for one (1) year and shall not be re-elected until each of the other members shall have served.

(3) The council shall meet at the call of the chairman or at the written request of the members, but it shall meet at least once every three (3) months.

Section 2. It shall be the duty of the council to discuss the various problems concerning the youth of this state and to coordinate state and federal programs involving various youth services and children's programs.

APPENDIX F

_____ BILL NO. _____

INTRODUCED BY _____

71-501

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 71-501, R.C.M. 1947, TO ALLOW AID TO DEPENDENT CHILDREN FOR A CHILD UP TO THE AGE OF TWENTY-TWO (22) YEARS, PROVIDING SUCH CHILD IS ATTENDING SCHOOL AND TO MAKE THE CHILD OF UNEMPLOYED PARENTS ELIGIBLE FOR WELFARE BENEFITS."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. Section 71-501, R.C.M. 1947, is amended to read as follows:

"71-501. "Dependent child" defined. The term "dependent child" means a child (A) under the age of eighteen (18), or (B) under the age of ~~twenty-one (21)~~ twenty-two (22) who is a student under the regulations prescribed by the state welfare department and such children (A and B above) who have been deprived of parental support or care by reason of the death, continued absence from the home, continued unemployment, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, nephew, niece, or first counsin, in a place of residence maintained by one or more of such relatives as his or their own home.

Aid to dependent children shall not be denied to or for the care of children who would otherwise be entitled to such aid under the laws of the state of Montana by the fact that such child is living in the home of his or her father, who is in the opinion of the county board of public welfare of the appropriate county either unemployable or who is honestly and responsibly seeking proper employment and is unable to find such employment nor by the fact that such child is living in the home of a head of a household who is, at the time, receiving job training under the laws of the state of Montana; nor shall the benefits which would otherwise accrue to such child for aid to dependent children under the laws of the state of Montana be reduced by reason of any such cause.

Primary factors in determining whether or not a father is

honestly and responsibly seeking employment shall include his willingness to register for employment with the Montana state employment service if the Montana state employment service has a representative in his county of residence and his willingness to accept employment in which he is able to engage which will increase his ability to maintain himself and his family.

The department of public welfare may establish additional criteria for determining whether or not a father is honestly and responsibly seeking employment."

APPENDIX G

_____ BILL NO. _____

INTRODUCED BY _____

71-1516, 71-1517

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS 71-1516 AND 71-1517, R.C.M. 1947, TO INCLUDE AS PERSONS ELIGIBLE FOR MEDICAL ASSISTANCE BENEFITS PERSONS WHO ARE NOT ELIGIBLE FOR FEDERAL PROGRAMS BECAUSE OF THEIR INCOME AND TO INCLUDE MEDICALLY NEEDY CHILDREN UNDER TWENTY-ONE (21) YEARS, INCLUDING ALL CHILDREN UNDER TWENTY-ONE (21) WHO ARE IN FOSTER CARE; TO PROVIDE FURTHER THE ORDER OF PRIORITIES OF DISTRIBUTION OF THE FUNDS AMONG THOSE ELIGIBLE."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. Section 71-1516, R.C.M. 1947, is amended to read as follows:

"71-1516. Eligibility requirements for medical assistance. Medical assistance shall be granted in behalf of all persons who reside in the state of Montana, including residents temporarily absent from the state and who meet any of the following requirements:

(1) Who receive all or part of their income from the federally aided public assistance programs: old-age assistance, aid to the blind, aid to dependent children, and aid to the permanently and total disabled;

(2) All persons who, upon application, would be eligible for financial assistance under any one of the federally aided programs referred to above;

(3) All persons who would be entitled to financial assistance under one of the federally aided categories except that they do not meet the durational residence requirements or relative responsibility requirements of any of the public assistance programs above enumerated;

(4) Persons in medical institutions who, if they were no longer in such institution, would be eligible for financial assistance under any one of the above programs;

(5) All children under twenty-one who meet the conditions

of eligibility in the state's plan for aid to dependent children, other than with respect to school attendance;

(6) All children under twenty-one who are in foster care under the supervision of the state~~.~~;

(7) All persons whose income is less than one hundred thirty-three and one-third percent (133 1/3%) of the amounts specified as maximum income levels for federally aided categories of assistance;

(8) All medically needy children under twenty-one (21) years of age as defined by the state department of social and rehabilitation services."

Section 2. Section 71-1517, R.C.M. 1947, is amended to read as follows:

"71-1517. Amount, scope and duration of assistance. The amount, scope, and duration of medical assistance granted eligible persons shall be determined by the state department. Payments on behalf of persons in state operated institutions shall be made only from funds appropriated specifically for this purpose, as such funds are available. However, if available funds are not sufficient to provide an adequate medical care program for all eligible persons, first priority shall be given to those eligible persons enumerated in section 1, subsections (1) through (6) of this act and in such event the state department shall by appropriate rules and regulations have the right to limit, reduce, or otherwise curtail the amount, scope, and duration of the medical and remedial care and services made available to those individuals enumerated in section 1, subsections (7) and (8) of this act to the extent necessary to assure the implementation of the established priorities. For the purpose of determining eligibility and amount of assistance to be granted to those individuals covered in section 1, subsections (7) and (8) of this act, the state department shall establish a maintenance standard."

APPENDIX H

_____ BILL NO. _____

INTRODUCED BY _____

71-235

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 71-235, R.C.M. 1947, BY INCREASING THE RELATIVES CONTRIBUTION SCALE TO PRESENT INCOME AND CONSUMER PRICE LEVELS."

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF MONTANA:

Section 1. Section 71-235, R.C.M. 1947, is amended to read as follows:

"71-235. Living relatives--jointly and severally liable--scale of contribution. The living relatives of each needy person, named in this act, shall be and they hereby are made jointly and severally liable in the order named in section 71-233 to such needy person for the monthly amounts of money determined in accordance with the following scale, to wit:

RELATIVES CONTRIBUTION SCALE

A. Net Monthly Income of responsible relatives in one family in dollars	B. Number of persons dependent upon income exclusive of applicant									
	1	2	3	4	5	6	7	8	9	10 and over
	C. Maximum required monthly contribution,									
~~Under-195~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~195-to-254~~	~~15~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~255-to-314~~	~~30~~	~~10~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~315-to-394~~	~~50~~	~~30~~	~~20~~	~~15~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
~~395-to-474~~	~~70~~	~~50~~	~~40~~	~~35~~	~~25~~	~~20~~	~~10~~	~~0~~	~~0~~	~~0~~
~~475-to-554~~	~~90~~	~~70~~	~~60~~	~~55~~	~~45~~	~~40~~	~~30~~	~~20~~	~~10~~	~~0~~
~~555-to-654~~	~~100~~	~~90~~	~~80~~	~~75~~	~~65~~	~~60~~	~~50~~	~~40~~	~~30~~	~~20~~
~~655-to-754~~	~~100~~	~~100~~	~~100~~	~~100~~	~~90~~	~~85~~	~~75~~	~~65~~	~~55~~	~~45~~
~~755-to-854~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~90~~	~~80~~	~~70~~
~~855-and-up~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~100~~	~~90~~
Under 304	0	0	0	0	0	0	0	0	0	0
305 to 399	22	0	0	0	0	0	0	0	0	0
400 to 489	43	14	0	0	0	0	0	0	0	
490 to 619	72	43	29	22	7	0	0	0	0	0
620 to 739	101	72	58	50	36	29	14	0	0	0
740 to 869	130	101	86	79	65	58	43	29	14	0

870 to 1024	144	130	115	108	94	86	72	58	43	29
1025 to 1179	144	144	144	144	130	123	108	94	79	65
1180 to 1339	144	144	144	144	144	144	144	130	115	101
1340 and up	144	144	144	144	144	144	144	144	144	130

For the purposes of this act: (1) A needy person is one who is eligible for public assistance under the laws of this state; (2) "Net monthly income" shall be deemed to mean one-twelfth (1/12) of the difference between the net income for the taxable year as the term net income is defined in section 84-4901, subsection ten (10), and the state income tax paid as determined by the state income tax return filed during the current year.

In those cases where both spouses classify as responsible relatives of needy persons during the same period of time, the liability for contribution of each of said spouses during that time shall be considered to be one-half (1/2) of the amount shown in the scale established by this act."